



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **SB 159** SLS 09RS 314  
Bill Text Version: **ORIGINAL**  
Opp. Chamb. Action:  
  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> May 26, 2009 8:53 AM	<b>Author:</b> MARIONNEAUX
<b>Dept./Agy.:</b> Economic Development	
<b>Subject:</b> Entertainment Industry Tax Credits	<b>Analyst:</b> Greg Albrecht

TAX/INCOME/PERSONALOR SEE FISC NOTE GF RV See NotePage 1 of 1

Provides that movie investor tax credits, digital interactive media credits, and musical and theatrical production credits are "earned" when they are certified. (gov siq)

Changes the point at which tax credits for film production projects, film infrastructure projects, digital media projects, and musical/theatrical projects are deemed earned, from when expenditures are made to when expenditures are certified by the Department of Economic Development (LED).

Effective for all expenditures certified after December 31, 2009.

EXPENDITURES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The bill may delay somewhat the issuance of tax credits associated with these programs since certification of expenditures by DED would necessarily occur after expenditures were actually made by participants of the programs. This should not change the State’s overall exposure to these programs, but may delay the timing of credit realizations if there is a material difference in the timing of credit issuance resulting from this bill compared to under the current process.

However, DED points out that if the intent of the bill is have credits issued upon the initial certification of projects into the programs, then credits would be issued significantly earlier than under current practice and credit realizations would then be accelerated. In this case, while the State’s overall exposure to these programs is not necessarily changed, annual state revenue reductions in the early periods after implementation of this bill would likely be greater than currently being experienced.

SenateDual Referral Rules

☐ 13.5.1 >= \$500,000 Annual Fiscal Cost

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change

House

☐ 6.8(F) >= \$500,000 Annual Fiscal Cost

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon MonkLegislative Fiscal Officer